

HALF YEARLY EXAMINATION – 2018

KEY ANSWERS

Std. XI

ACCOUNTANCY

Marks : 90

PART – I

20 x 1 = 20

Choose the best answer and write the option code and the corresponding answer.

Qn. No	Option	Answer	Qn. No	Option	Answer
1.	B	Employees	11.	B	Principle
2.	B	Stewardship accounting	12.	C	Technological changes
3.	D	The Institute of Chartered Accountants of India	13.	D	Capital receipts
4.	C	Conservatism	14.	A	In the trading account
5.	B	Outstanding salary a/c	15.	B	Fixed asset account
6.	B	Debit balance	16.	A	Bad debts
7.	C	Suspense a/c	17.	A	Dual aspect
8.	C	Invoice	18.	A	Cash a/c
9.	D	Bank column credit side	19.	C	Purchase account
10.	B	Rs. 3,000 favourable	20.	B	Rs. 19,600

PART – II

Answer any seven questions in which Qn. No. 21 is compulsory.

7 x 2 = 14

21.	<table border="0"> <tr> <td>Purchase a/c Dr. 20,000</td> <td>Cash a/c Dr. 18,800</td> <td rowspan="4">4 x ½ mks = 2 mks</td> </tr> <tr> <td>To Cash a/c 20,000</td> <td>Discount a/c Dr. 200</td> </tr> <tr> <td></td> <td>To Niha a/c 19,000</td> </tr> <tr> <td></td> <td></td> </tr> </table>	Purchase a/c Dr. 20,000	Cash a/c Dr. 18,800	4 x ½ mks = 2 mks	To Cash a/c 20,000	Discount a/c Dr. 200		To Niha a/c 19,000						
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22.	<p><u>Two bases of recording accounting information:</u> (Any 2) Cash Basis, Accrual/Mercantile Basis, Mixed/Hybrid basis</p>	2 x 1 mk = 2 mks												
23.	<p><u>Full Disclosure Principle :</u> Accounts must be prepared honestly and all material information should be disclosed in the accounting statement. The disclosure should be full, fair and adequate.</p> 1 mk 1 mk												
24.	<p><u>Golden rules of double entry system.</u></p> <table border="1"> <thead> <tr> <th>Nature of A/c</th> <th>Debit</th> <th>Credit</th> </tr> </thead> <tbody> <tr> <td>Personal A/c</td> <td>The Receiver</td> <td>The Giver</td> </tr> <tr> <td>Real A/c</td> <td>What comes in</td> <td>What goes out</td> </tr> <tr> <td>Nominal A/c</td> <td>All expenses and losses</td> <td>All incomes and gains</td> </tr> </tbody> </table>	Nature of A/c	Debit	Credit	Personal A/c	The Receiver	The Giver	Real A/c	What comes in	What goes out	Nominal A/c	All expenses and losses	All incomes and gains	2 mks
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25.	<p><u>Depreciation:</u> According to Spicer and Pegler, “Depreciation is the measure of exhaustion of the effective life of an asset from any cause during a given period”. According to R.N. Carter, “Depreciation is the gradual and permanent decrease in the value of an asset from any cause”.</p>	Any one definition – 2 mks												

26.	In the books of Rani						4 x ½ mks = 2 mks	
	Transaction	Assets				Capital`		Creditors`
		Cash`	Stock`	Furniture`				
	(i) Started business with cash	+80,000				+80,000		
	Equation	+80,000			=	+80,000		
	(ii) Credit purchases		+10,000					+10,000
	Equation	+80,000	+10,000		=	+80,000		+10,000
	(iii) Cash purchase of furniture	-6,000		+6,000				
	Equation	+74,000	+10,000	+6,000	=	+80,000		+10,000
(iv) Paid creditors by cash	-8,000					-8,000		
Equation	+66,000	+10,000	+6,000	=	+80,000	+2,000		

27.	<u>Due date:</u>	
	1. 4 th May 1
	2. 14 th August (Since 15 th August is Independence Day) 1

28.	Bank Reconciliation Statement		
	Credit balance as per bank statement	6,000 ½
	<u>Add:</u>		
	Double entry in cash book	3,500 ½
	Cheque dishonored omitted in cash book	2,500 ½
	Debit balance as per cash book	12,000 ½

29.	a) Purchase A/c Dr. 900	b) Sales A/c Dr. 1,000	2 x 1 mk = 2 mks
	To Suspense A/c 900	To Furniture A/c 1,000	

30.	$\text{Amount of Depreciation} = \frac{\text{Original cost} - \text{Scrap value}}{\text{Estimated Life}}$	½ mk
	$= \frac{1,00,000 - 4,000}{4} = \frac{96,000}{4}$	1 mk
	= Rs. 24,000	½ mk

PART - III

Answer any seven questions in which Qn. No. 31 is compulsory.

7 x 3 = 21

31.	$\text{Amount of Depreciation} = \frac{\text{Original cost} - \text{Scrap value}}{\text{Estimated Life}}$	1 1 ½ mks
	$\text{Rate of Depreciation} = \frac{\text{Amount of depreciation}}{\text{Original cost}} \times 100$	1 1 ½ mks
32.	<u>Causes of Depreciation:</u>	
	(i) Wear and tear (ii) Efflux of time (iii) Obsolescence (iv) Inadequacy for the purpose (v) Lack of maintenance (vi) Abnormal factors	<u>Note :</u> Marks can be awarded if all 6 headings are written. (OR) Any 3 points to be explained
		6 x ½ mks = 3 mks 3 x 1 mk = 3 mks
33.	<u>Role of an accountant:</u>	Any 3 points to explain.
	(i) Record keeper (ii) Provider of information to the management (iii) Protector of business assets (iv) Financial advisor (v) Tax manager (vi) Public advisor	3 x 1 mk = 3 mks Only side headings – ½ mks each

34.	<p><u>Types of personal accounts:</u></p> <p>Natural person's account: Natural person means human beings. Example: Vinoth account, Malini account.</p> <p>Artificial person's account: Artificial person refers to the persons other than human beings recognised by law as persons. Example: BHEL account, Bank account.</p> <p>Representative personal accounts: These are the accounts which represent persons natural or artificial or a group of persons. Example: Outstanding salaries account, Prepaid rent account.</p>	<p>3 x 1 mk = 3 mks.</p> <p>Only side headings, award 1 mk.</p>																												
35.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Basis</th> <th style="width: 40%;">Capital receipts</th> <th style="width: 40%;">Revenue receipts</th> </tr> </thead> <tbody> <tr> <td>i) Nature</td> <td>Non-recurring in nature.</td> <td>Recurring in nature.</td> </tr> <tr> <td>ii) Size</td> <td>Amount is generally substantial.</td> <td>Amount is generally smaller.</td> </tr> <tr> <td>iii) Distribution</td> <td>These amounts are not available for distribution as profits.</td> <td>The excess of revenue receipts over the revenue expenses can be used for distribution as profits.</td> </tr> </tbody> </table>	Basis	Capital receipts	Revenue receipts	i) Nature	Non-recurring in nature.	Recurring in nature.	ii) Size	Amount is generally substantial.	Amount is generally smaller.	iii) Distribution	These amounts are not available for distribution as profits.	The excess of revenue receipts over the revenue expenses can be used for distribution as profits.	<p>3 x 1 mk = 3 mks</p>																
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36.	<p style="text-align: center;">Trial Balance</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Debit balance</th> <th style="width: 25%;">Rs.</th> <th style="width: 25%;">Credit balance</th> <th style="width: 25%;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Stock</td> <td>70,000</td> <td>Bank Loan</td> <td>2,00,000</td> </tr> <tr> <td>Purchases</td> <td>1,80,000</td> <td>Bills payable</td> <td>1,00,000</td> </tr> <tr> <td>Debtors</td> <td>4,00,000</td> <td>Capital</td> <td>2,50,000</td> </tr> <tr> <td>Bank</td> <td>2,00,000</td> <td>Sales</td> <td>3,00,000</td> </tr> <tr> <td></td> <td>8,50,000</td> <td></td> <td>8,50,000</td> </tr> </tbody> </table>	Debit balance	Rs.	Credit balance	Rs.	Stock	70,000	Bank Loan	2,00,000	Purchases	1,80,000	Bills payable	1,00,000	Debtors	4,00,000	Capital	2,50,000	Bank	2,00,000	Sales	3,00,000		8,50,000		8,50,000	<p>8 x ¼ mks = 2 mks + Total = 1 mk</p>				
Debit balance	Rs.	Credit balance	Rs.																											
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Date	Particulars	L.F.	Inv No	Amount																										
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	Sales A/c Cr.			6,860																										
38.	<p><u>Amount of depreciation:</u> 1st year – 42,500, 2nd year – 42,500, 3rd year – 42,500; Total = 1,27,500</p>	<p>3 x 1 mk = 3 mks</p>																												
39.	<p>Gross profit = Rs. 5,500</p>	<p>9 x ¼ mks = 2 ¼ mks + ¼ mks (Total) + ½ mks (G.P)</p>																												
40.	<p>Adjusting entry :</p> <p>Bad debts A/c Dr. 1,200 To Sundry debtors 1,200</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Dr.</th> <th style="width: 60%;">Profit & Loss A/c</th> <th style="width: 30%;">Cr.</th> </tr> </thead> <tbody> <tr> <td>To Bad debts</td> <td>800</td> <td></td> </tr> <tr> <td>Add: New Bad debts</td> <td>1,200</td> <td></td> </tr> <tr> <td></td> <td>2,000</td> <td></td> </tr> </tbody> </table> <p style="text-align: center;">Balance Sheet</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Liabilities</th> <th style="width: 25%;">Amount</th> <th style="width: 25%;">Assets</th> <th style="width: 25%;">Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>Sundry Debtors</td> <td>16,000</td> </tr> <tr> <td></td> <td></td> <td>Less: Bad debts</td> <td>1,200</td> </tr> <tr> <td></td> <td></td> <td></td> <td>14,800</td> </tr> </tbody> </table>	Dr.	Profit & Loss A/c	Cr.	To Bad debts	800		Add: New Bad debts	1,200			2,000		Liabilities	Amount	Assets	Amount			Sundry Debtors	16,000			Less: Bad debts	1,200				14,800	<p>1 mk</p> <p>1 mk</p> <p>1 mk</p>
Dr.	Profit & Loss A/c	Cr.																												
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Liabilities	Amount	Assets	Amount																											
		Sundry Debtors	16,000																											
		Less: Bad debts	1,200																											
			14,800																											

41.	In the books of Raj							
A	Transaction	Assets				=	Creditors	Capital
		Cash	Bank	Stock	Furn.			
	Started busi. with cash	+40,000				=		+40,000
	Opened bank account	-30,000	+30,000					
	Equation	+10,000	+30,000			=		+40,000
	Credit purchase			+12,000		=	+12,000	
	Equation	+10,000	+30,000	+12,000		=	+12,000	+40,000
	Drawings	-1,000				=		-1,000
	Equation	+9,000	+30,000	+12,000		=	+12,000	+39,000
	Furniture pur.- dr card		-10,000		+10,000			
	Equation	+9,000	+20,000	+12,000	+10,000	=	+12,000	+39,000
	Cash Sales	+6,000		-6,000				
	Equation	+15,000	+20,000	+6,000	+10,000	=	+12,000	+39,000
	Cash w/d. – office use	+1,000	-1,000					
Equation	+16,000	+19,000	+6,000	+10,000	=	+12,000	+39,000	
41.	<u>Ledger A/cs :</u>							5 x 1 mk = 5 mks
B	Cash A/c – 55,000 (Dr.)	Bank A/c – 3,10,000 (Dr.)						
	Abdul A/c – 15,000 (Dr.)	Purchase A/c – 30,000 (Dr.)						
	Sales A/c – 85,000 (Cr.)							
42.	Purchase A/c Dr. 20,000 To Sibi A/c 20,000							8 x 1/2 mks = 4 mks + 1 mk (Narration, Format)
A	Elec. Chgs A/c Dr. 500 To Bank A/c 500							
	Sibi A/c Dr. 5,000 To Purchase returns A/c 5,000							
	Drawings A/c Dr. 1,000 To Purchases A/c 1,000							
	Advertisement A/c Dr. 2,000 To Cash A/c 2,000							
	Mano A/c Dr. 20,000 To Sales A/c 20,000							
	Sales return A/c Dr. 5,000 To Mano A/c 5,000							
	Bank A/c Dr. 15,000 To Mano A/c 15,000							
42.	(a) Suspense A/c Dr. 2,000 To Sales A/c 2,000							5 x 1 mk = 5 mks
B	(b) Machinery A/c Dr. 3,000 To Purchases A/c 3,000							
	(c) Suspense A/c Dr. 9 To Mathi A/c 9							
	(d) Purchase return A/c Dr. 200 To Suspense A/c 200							
	(e) Sales A/c Dr. 100 To Suspense A/c 100							
43.	By balance c/d 8,900							
A	(Ignore transaction of 14 th July, 2017 as it is a credit transaction)							
43.	Petty cash book balance Rs. 190							
B	Total Expenses Rs. 1,810							
44.	Purchase Book = Rs. 3,74,300 [2,55,000 + (36,500-3,650) + (91,000-4,550)]							3 mk
A	Purchase Return Book = Rs. 22,000							2 mk
44.	Bank Reconciliation Statement							
B	a) Balance as per pass book 15,000							
	b) Less : 2,500							
	c) Add: 250							
	d) Add: 500							

	e) Add: 300 f) Add: 900 g) Dr. Balance as per cash book 14,450																						
45. A	a) Cr. Rent A/c with 900 b) Dr. Rent A/c with 1,000 c) Dr. Salary A/c with 1,100 d) Cr. Salary A/c with 1,200 e) Cr. Wages A/c with 2,000																						
45. B	Cash A/c Dr. 80,000 To Capital A/c 80,000 Bank A/c Dr. 40,000 To Cash A/c 40,000 Purchase A/c Dr. 5,000 To Cash A/c 5,000 Purchase A/c Dr. 10,000 To Lipton & Co A/c 10,000 Cash A/c Dr. 11,000 To Sales A/c 11,000																						
46. A	Working notes: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">1.4.14</td> <td style="width: 35%;">Cost</td> <td style="width: 50%; text-align: right;">2,10,000</td> </tr> <tr> <td>31.3.15</td> <td>Less : Deprn</td> <td style="text-align: right;">21,000</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">1,89,000</td> </tr> <tr> <td>31.3.16</td> <td>Less : Deprn</td> <td style="text-align: right;">18,900</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">1,70,100</td> </tr> <tr> <td>31.3.17</td> <td>Less : Deprn</td> <td style="text-align: right;">17,010</td> </tr> <tr> <td>1.4.17</td> <td>Book Value</td> <td style="text-align: right;">1,53,090</td> </tr> </table>	1.4.14	Cost	2,10,000	31.3.15	Less : Deprn	21,000			1,89,000	31.3.16	Less : Deprn	18,900			1,70,100	31.3.17	Less : Deprn	17,010	1.4.17	Book Value	1,53,090	Mach A/c – 3 mks; Deprn A/c – 2 mks
1.4.14	Cost	2,10,000																					
31.3.15	Less : Deprn	21,000																					
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1.4.17	Book Value	1,53,090																					
46. B	Gross Profit 28,800; Net Profit 21,200	2 mks 3 mks																					
47. A	Gross Profit 4,500 Net Profit 4,500 Balance Sheet 54,500	1½ mks 1½ mks 2 mks																					
47. B	1. Capital Expenditure 5,000 2. Capital Expenditure 32,000 3. Capital Expenditure 10,000 4. Capital Expenditure 350 5. Capital Expenditure 150	5 x 1 mk = 5 mks																					

Prepared by,

Ebrahim Shameem, B.Com., C.A.(Inter)

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